

Company Name: Ingram Micro

Approver: HQAPP
OSSINFO

HQAPP Requests:

- 1) 72% One time discount (490K net L including fees)
- 2) Flatlined Support first 2 renewal years, not to exceed 4% in years 4 & 5.*
- 3) Drop Gold Support to Standard (Silver) Support for both Apps and Tech. The following is how the support stream is broken down for both applications and technology **

639,526.54 = 15%

298445.72 = 7%

311236.25 = 7.3%

Total:

1,249,208.51 = 29.3% today.

- 4) Support payments quarterly in advance (current arrangement)**

- 5) 2 Year price hold at 50% in the E-Biz Suite.

*Note: Support cap will apply to incremental (if applicable) and migrated licenses only. We will be migrating Apps and Tech licenses.

** Per OSSINFO - Kevin wrote:

“Removal of the Gold support for the migrated licenses is approved by Support. No credit may be given for the non-migrated licenses or the licenses to be dropped; support on those licenses is non-cancelable and non-refundable and must run its course through May. The existing support stream for the 2800 Applications users should be used for the 1500 users migrating to the e-business suite and used in the comparison of the lesser of the existing stream or e-business list.

The 0% cap for the non-migrated licenses is not approved by Support. Continuation of quarterly in advance payments is fine with Support.”

Deal Summary	
Product Mix:	1500 Ebusiness Suite 2003 professional users.
License Discount	72%
Support Discount	72%
Comp & Admin Discount	NA
Phased Implementation for Comp & Admin?	See checklist below
Support Options/Holds	Technical Support Cap, Flatlined Support 3 years, Not to exceed 5% Renewal Years 4 and 5
Price Holds	50%
List License	\$5,992,500
List Support	\$1,318,350
List Comp & Admin	NA
Net License	\$490,693.35 Incremental plus ebus upgrade fee.
Net Support	\$131,994.81 Incremental plus ebus support upgrade fee.

8/14/2003

Page 1



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ORLITE0418242

Net Comp & Admin	NA
Net Price	\$622,688.16
Price List Used	June 20,2003

Migrations	
Does deal include migration (y/n)	Yes
Discount on migrated licenses	Store plus 47
Migration support - before	\$510,220.04 plus gold uplift of \$311,236.25
Migration support - after	\$510,220.04

Customer history	
Existing contractual discount (price hold)	Price Hold expired May 2003. It was a 5 yr price hold for the application bundle users at a 55% discount. Licenses were sold in May 1998 at a 72% discount.,
Date of Price List for price hold	May 1998
When does price hold expire?	
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	Database, tools, application bundle users.
Name of Agreement, if applicable	

Justification:

1. **Improve a Tough Situation** - Customer purchased 2800 users of Oracle Applications 5.5 years ago. Since then, they deployed roughly half of their users, sold off their manufacturing business 2.5 years ago, and paid 5.5 years of GOLD support (customer quote "Huge overkill"..."waste of Oracle Support's time."). Ingram dutifully paid their support for 5.5 years. (Living up to their commitment past the 5-year "Life" of their Oracle Software.)
2. **Oracle Fin/apps - Peoplesoft H/R** - This is a big name, dual vendor dear to our heart. This contract will go a long way towards improved customer service in this account. Peoplesoft has pushed in the past to move off Oracle and onto Peoplesoft Fin/apps. This is a competitive environment for Oracle. Oracle currently viewed as inflexible and "a very high price tag for just running financials!" Oracle is vulnerable to a Peoplesoft takeover in this current high cost, rigid, contract construct.
3. **Reduced credit** - Customer bites the bullet on their investment. They reduce their license total (1500) and in turn receive reduced credit; now at 1500 users Ingram maintains a similar support stream for Oracle with more upside. More to sell.
4. **Customer Satisfaction** - Customer has been trying to reduce from Gold to Silver for 2 years. (Roughly 300K per year value) Feel they have been told they will "recalibrate to List" if they did this. Whether this is true or not, it is the executives perception. Ossinfo confirmed this is not the policy.
5. **Profile Customer** - Ingram Micro is a 15+ B customer with name recognition in SoCal.
6. **Additional Products -Lower Cost of Sales**- Ingram uses roughly 1500 users today, the broadened footprint will provide Oracle the opportunity to drive new user counts in areas such as CRM, and Business Intelligence. Both evals targeted in the next 12-18 mos. Evals go away, users counts rise. Ingram Micro purchased less than 100K in Apps licenses in over 5 years. This new flexibility opens doors for Oracle, shuts out Peoplesoft growth.
7. **Poor Alternatives** - If we do not do this, customer will push on reducing Gold to Silver and reduced support. Ossinfo confirmed the customer COULD do this. Customer prepared to make a stink. Oracle has a headache, support would end up lower, (roughly 935K-at most vs 1,069K after this contract.) AND we have an unhappy Peoplesoft/Oracle customer.
8. **Support stream Integrity -and Summary-** At a high level the customer is dropping Gold Support after 5+ years (and the cost to Oracle of providing it) By choosing this, they CAN take the 311K Gold uplift off their 1,249K yearly support cost, Oracle receives 938K a year in response and the customer is still saddled with an

archaic inflexible, contract. This new scenario still drops Gold, but yields a support stream of 1,069K for Oracle, improves an important relationship and opens new opps for Oracle Apps Sales in a dormant account.

Recommendation: *(leave blank for HQAPP to fill out)*

Submitted By: Barbara Collins, Matt Renner